

Message Text

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SUBJ: RECOMMENDATIONS FOR THEMES FOR TRADE PROMOTION EVENTS
IN ROMANIA

FERROUS METAL PRODUCTION HAVE BEEN ADDED HIGH ON THE LIST FOLLOWING DEMONSTRATED ROMANIAN INTEREST IN NON-FERROUS METAL MINING AND PETROCHEMICAL PRODUCTION FOR PLASTICS. IN BOTH CASES WE BELIEVE GOR HAS BEGUN OR WILL SOON BEGIN STUDYING ALTERNATIVES FOR FURTHER PROCESSING OF THESE RAW MATERIALS, AND WE BELIEVE TSS FORMAT IS BEST MEANS TO GET US TECHNOLOGY AND EQUIPMENT CONSIDERED EARLY ENOUGH TO BE INCLUDED IN DESIGN SPECIFICATIONS. WE REALIZE BEWT ORIGINALLY INTENDED THESE THEMES FOR OTHER COUNTRIES, BUT HOPE ROMANIA WILL BE CONSIDERED AT LEAST AS "FIRST ALTERNATE" IF ANOTHER COUNTRY DROPS OUT. WE EXPECT MISSION WOULD BE WELCOME HERE EVEN IF GOR NOT INCLUDED IN PLANNING PHASE. ALTERNATIVELY, WE WOULD BE WILLING TO ARRANGE INFORMAL APPOINTMENTS FOR ANY MISSION MEMBERS AFTER MISSION ENDS OFFICIALLY. IF NONE OF THESE POSSIBILITIES APPEARS REASONABLE, AND MISSION IS SUCCESS, WE HOPE BEWT CAN RERUN IT HERE IN FISCAL 77, EVEN THOUGH TIMING WOULD THEN BE LESS PROPITIOUS.

10. OVER PAST FIVE MONTHS IT HAS BECOME EVIDENT THAT AGRICULTURE WILL RECEIVE HIGHER PRIORITY OVER NEXT FEW YEARS THAN IN THE PAST. EMPHASIS WILL BE ON LAND

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RECLAMATION, IRRIGATION, AND CONTINUED MECHANIZATION.

ROMANIA WILL ALSO CONTINUE TO DEPEND UPON WEST EUROPEAN MARKETS FOR ITS AGRICULTURAL EXPORTS, AND THEREFORE REQUIRES MODERN HANDLING AND PROCESSING EQUIPMENT. ALTHOUGH WE HAVE LISTED FOOD PROCESSING AND AGRICULTURAL PRODUCTION EQUIPMENT SEPARATELY, WE BELIEVE THE TWO THEMES TOGETHER MIGHT WORK WELL IN A MAJOR EXHIBITION. IF A MAJOR EXHIBITION IS NOT SCHEDULED (E.G. AT BUCHAREST INTERNATIONAL FAIR, OCTOBER 1976), THEN THE TWO SUBJECTS COULD BE BASIS FOR SMALLER SEPARATE EXHIBITIONS AND SEMINARS.

11. WE HAVE ADDED OFFSHORE PETROLEUM EXPLORATION AND PRODUCTION EQUIPMENT AS AN IMPORTANT THEME TO ROMANIA AND A MAJOR POTENTIAL US MARKET HERE AND IN THIRD COUNTRIES (THROUGH ROMANIAN PROJECTS OVERSEAS). OUR ONLY MISGIVING IS THAT US TECHNOLOGY IS WELL-ESTABLISHED IN THIS FIELD. IF HELD, RECRUITMENT SHOULD BE LIMITED TO NTM FIRMS.

12. WE LOWERED THE RANK OF BOTH ELECTRIC POWER AND DISTRIBUTION EQUIPMENT AND TEXTILE MACHINERY BECAUSE WE LACK CONFIRMATION OF THE MARKET POZHNTIAL FROM OUR OWN EXPERIENCE. IN THE CASE OF POWER GENERATING EQUIPMENT AND SWITCHGEAR, WE WERE IMPRESSED BY EWTC ESTIMATES AND BY MARKET POTENTIAL SHOWN IN PEMs COMPUTER PRINTOUT (DISTRIBUTED AT BERLIN IN FEBRUARY), AND WE WOULD BE INTERESTED TO SEE WHAT BUSINESS COULD BE DEVELOPED IN THIS FIELD. BUT WE HAVE ALSO BEEN IMPRESSED BY THE EXTENT TO WHICH ROMANIA SEEKS SELF-SUFFICIENCY IN MANUFACTURING POWER GENERATING EQUIPMENT. IN THE CASE OF TEXTILE MACHINERY, MINISTRY OF LIGHT INDUSTRY OFFICIALS WERE LUKEWARM TO THE SUGGESTION OF AN EXHIBIT HERE (BUCHAREST 5431, NOV 22, 1974), AND APPARENTLY FAILED TO SEND SPECIALISTS TO THE EWTC EVENT IN APRIL EVEN THOUGH THEY SAID THEY WOULD. BOTH POWER AND TEXTILE EQUIPMENT HAVE BEEN RETAINED ON OUR LIST BASED UPON EWTC AND BEWT CALCULATIONS AND ON THE FACT THAT THEY REPRESENT IMPORTANT SECTORS OF ROMANIAN ECONOMY WITH PERHAPS FUTURE EXPORT OPPORTUNITIES.

13. WE HAVE CONSIDERED DELAYING THESE RECOMMENDATIONS UNTIL THE PUBLICATION OF THE 1976-80 FIVE YEAR PLAN, WHICH WILL OF COURSE GOVERN MARKET OPPORTUNITIES HERE DURING THAT UNCLASSIFIED

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PERIOD. PUBLICATION OF THE PLAN HAS BEEN DELAYED SEVERAL TIMES, HOWEVER, AND WE PRESUME THAT USDOC/BEWT IS ANXIOUS TO MAKE FINAL DECISIONS ON TRADE PROMOTION EVENTS FOR FISCAL YEAR 1976. WHILE WE MAY WISH TO REVISE SOME OF OUR COMMENTS, THE GENERAL TRENDS OF GOR PROCUREMENT -- MOST OF THEM IN ANTICIPATION OF NEEDS DURING THE NEXT FIVE YEARS -- HAVE BECOME SUFFICIENTLY APPARENT THAT WE SEE NO NEED TO WAIT LONGER. ALL OF THE THEMES MENTIONED IN OUR LIST ARE MENTIONED TO

SOME DEGREE IN THE PUBLISHED DIRECTIVES OF THE 11TH CONGRESS OF THE ROMANIAN COMMUNIST PARTY FOR THE 1976-80 PLAN; THE FIRST THREE, THE 6TH, 7TH AND 10TH FALL WITHIN INDUSTRIAL MINISTRIES LIKELY TO RECEIVE HIGH PRIORITY FOR FOREIGN EXCHANGE, WHILE THE 4TH AND 5TH ARE RELATED TO AGRICULTURAL PRODUCTION, WHICH HAS BEEN GIVEN EVEN MORE EMPHASIS FOLLOWING THE 11TH PARTY CONGRESS.

14. OUR RANKING DOES PRESUME, HOWEVER, CONGRESSIONAL APPROVAL OF THE US-ROMANIAN TRADE AGREEMENT. SHOULD THE AGREEMENT NOT BE APPROVED, IT MAY TAKE SOME TIME TO SORT OUT THE FULL IMPLICATIONS FOR TRADE PROMOTION HERE, AS SOME THEMES MAY BE MUCH MORE AFFECTED THAN OTHERS BY EVENTUAL ROMANIAN TARIFF DISCRIMINATION OR SIMPLY BY A ROMANIAN DECISION TO LOOK ELSEWHERE FOR IMPORTS.

15. THIS TELEGRAM WAS PREPARED BEFORE WE RECEIVED STATE 132655. IT STILL REFLECTS EMBASSY PRIORITIES, AND WE WILL COMMENT ON 132655 SEPARATELY.

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